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Volume 10

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA

January 1966

Number 6

Released Pursuant to §1090.27(j) and §1090.85, USDA-C&MS

Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411

J. B. McCroskey, Market Administrator

MAR 18 1966

CURRENT SERIAL RECORDS

PRODUCER MILK BASES - 1966

Federal Order milk bases for producers will be announced by February 28, 1966. Milk Bases were established during September 1965 thru January 1966. These bases are to be used for calculating payment to producers for milk deliveries during March thru July 1966. If you do not receive your Milk Base Notice soon after March 1, 1966, please notify the Market Administrator.

MARKET SUMMARY JANUARY 1966

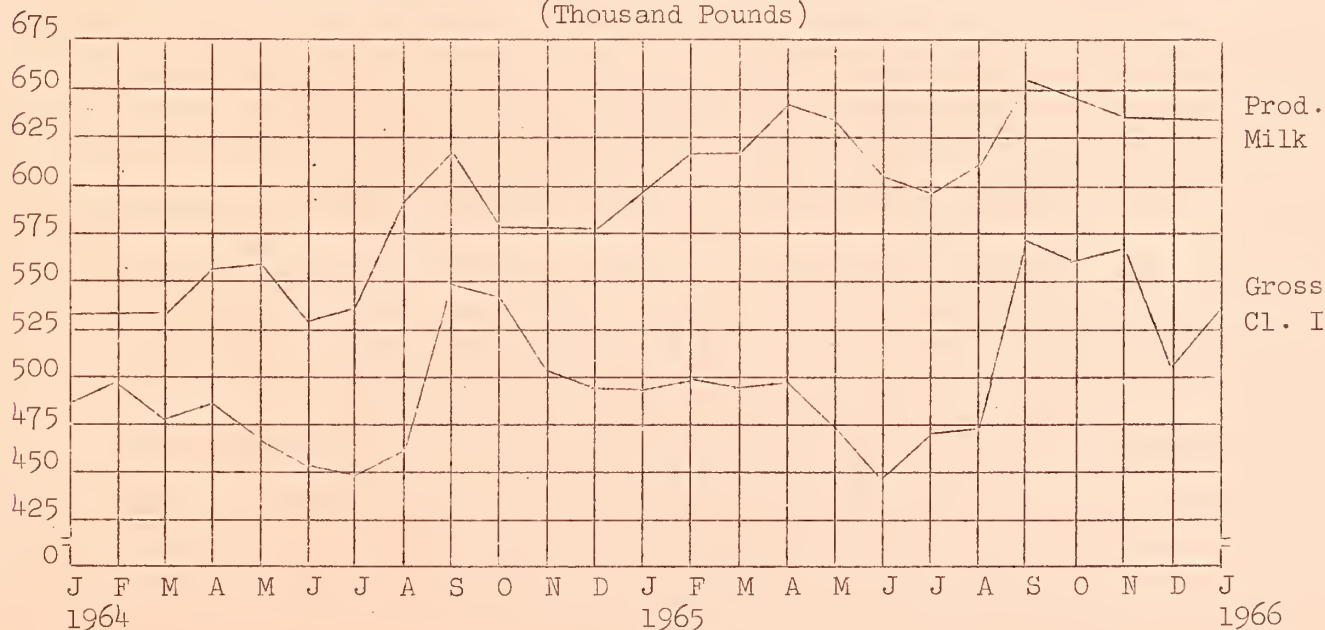
The Order MINIMUM producer uniform price is \$4.82 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 3.5% butterfat. The producer butterfat differential is 7.8 cents for each one-tenth of one percent above or below 3.5 percent. The Chattanooga Area Milk Producers Association has announced a premium of 20 cents or a producer blend price of \$5.02 per cwt. for milk testing 3.5 percent butterfat.

During January, 82.9% of the total producer milk was priced in Class I at \$5.22 per cwt. with a butterfat differential of 8.2 cents and 17.1% in Class II at \$3.22 per cwt. with a butterfat differential of 6.8 cents. The daily average use of Gross Class I milk increased 4.6% compared with December 1965 and increased 7.5% compared with January 1965.

Daily average delivery of milk from producers was 634,748 pounds in January 1966, a decrease of 508 pounds per day compared with December 1965 and an increase of 37,987 pounds compared with January 1965. Percentage-wise, January deliveries decreased 0.1% compared with December 1965 and increased 6.4% compared with January 1965. The daily average farm delivery was 956 pounds compared with 879 pounds per farm for January 1965. This shows an increase of 77 pounds (9.0 gallons) per farm per day.

MILK SAMPLES TESTED - Producer Fresh Samples 5,483 - Handler Finished Products 238.

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
(Thousand Pounds)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% Jan. '66 Over Jan. '65	Jan. 1966	Dec. 1965	Jan. 1965
Number of Plants (Pool and Non-Pool)		11	11	12
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 6.4	634,748	635,256	596,761
Other Source	+ 20.3	17,450	15,549	14,510
Other Federal Orders	- 55.3	10,676	9,305	23,894
Total Milk Receipts	+ 4.4	662,874	660,110	635,165
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	+ 3.3	417,770	398,490	404,499
Fluid Skim	+ 13.7	26,536	24,416	23,341
Buttermilk	+ 0.7	43,348	42,644	43,033
Flavored Milk and Drink	+ 14.3	12,444	12,566	10,883
Fluid Cream (Sweet and Sour)	+ 11.2	2,898	3,474	2,606
Other (Shrinkage, Inventory, etc.)		2,935	704	695
Transfers to Non-Pool Plants		25,310	25,520	9,199
Total Class I Milk	+ 7.5	531,241	507,814	494,256
Class II Uses:				
Ice Cream Mixes		32,816	31,937	28,947
Cottage Cheese		19,044	14,992	17,894
Powdered and Condensed Milk		40,060	60,353	45,847
Livestock Feed and Skim Dumped		5,927	6,114	5,770
Shrinkage Class II		10,644	8,854	8,630
Other (Butter, Inventory, etc.)		9,679	6,206	14,996
Transfers to Non-Pool Plants		13,463	23,840	18,825
Total Class II Milk	- 6.6	131,633	152,296	140,909
Class I Pounds in Marketing Area	+ 4.4	312,497	297,521	299,411
Class I Pounds Outside Marketing Area	+ 12.3	218,744	210,293	194,845
Gross Class I Butterfat Pounds	+ 8.0	19,099	18,502	17,680
Gross Class II Butterfat Pounds	- 4.3	8,003	8,772	8,360
Total Butterfat Pounds	+ 4.1	27,102	27,274	26,040
% Producer Milk of Gross Class I		119.5	125.1	120.7
% Producer Milk Priced in Class I		82.9	79.1	81.9

FEBRUARY 1966 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Feb. '66	Jan. '66	Feb. '65
Basic Formula	\$3.47	\$3.47	\$3.25
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.04)	0.00	0.00
Class I Price, 3.5% Butterfat	\$5.18	\$5.22	\$5.00
Per \$1090.51(a)			
Supply-Demand Comparison: 1st and 2nd preceding months: December and January			
Supply: Lbs. Producer Milk (Dec. 19,692,918 and Jan. 19,677,194)			39,370,112
Demand: Lbs. Net Class I Milk (Dec. 15,647,159 and Jan. 16,378,977)			32,026,136
Utilization Percentage: Producer milk divided by Class I			123
Standard Utilization Percentage: Range 117-121			121
Net Deviation Percentage: Utilization minus Standard Utilization			plus 2
Supply-Demand Adjustment: 2 cents x 2 percentage points			minus \$0.04

Since the supply in relation to the demand is more than the desired standard, the price is decreased 4 cents per hundredweight (2 cents x 2 percentage points).

COMPUTATION OF PRODUCER UNIFORM PRICE

JANUARY 1966	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		16,468,465	3.595		
Less Other Source		155,479	2.246		
Producer Milk Class I	82.9	16,312,986	3.608009	\$5.308567	\$ 865,985.79
Gross Class II		4,080,625	6.080		
Less Other Source		716,417	1.499		
Producer Milk Class II	17.1	3,364,208	7.055212	5.637544	189,658.71
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	19,677,194	4.197377		\$1,055,644.50
Add Fractional Adjustment					.08
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		65,991			2,608.59
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					8,624.77
TOTAL VALUE AT TEST		19,743,185	4.189881	\$5.403778	\$1,066,877.94
Less Test over 3.5% @ 7.8¢ per point		19,743,185	.689881	.538107	106,239.46
TOTAL UTILIZATION VALUE AT 3.5%		19,743,185	3.5	\$4.865671	\$ 960,638.48
Less Producer-Settlement Fund Reserve		19,743,185		.045671	9,016.91
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		19,743,185	3.5	\$4.82	\$ 951,621.57

JANUARY 1966 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 7.8¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$4.43	3.75	\$5.015	4.5	\$5.60	5.25	\$6.185
3.05	4.469	3.8	5.054	4.55	5.639	5.3	6.224
3.1	4.508	3.85	5.093	4.6	5.678	5.35	6.263
3.15	4.547	3.9	5.132	4.65	5.717	5.4	6.302
3.2	4.586	3.95	5.171	4.7	5.756	5.45	6.341
3.25	4.625	4.0	5.21	4.75	5.795	5.5	6.38
3.3	4.664	4.05	5.249	4.8	5.834	5.55	6.419
3.35	4.703	4.1	5.288	4.85	5.873	5.6	6.458
3.4	4.742	4.15	5.327	4.9	5.912	5.65	6.497
3.45	4.781	4.2	5.366	4.95	5.951	5.7	6.536
3.5	4.82	4.25	5.405	5.0	5.99	5.75	6.575
3.55	4.859	4.3	5.444	5.05	6.029	5.8	6.614
3.6	4.898	4.35	5.483	5.1	6.068	5.85	6.653
3.65	4.937	4.4	5.522	5.15	6.107	5.9	6.692
3.7	4.976	4.45	5.561	5.2	6.146	5.95	6.731

JANUARY 1966 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Per \$ 1090.73	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	71.3	588,574	\$0.82	\$482,630.68
Class II	28.7	237,352	0.68	161,399.36
Total	100.0	825,926		\$644,030.04

Total Butterfat value ÷ Total Producer fat pounds = \$0.779767

Producer Butterfat Differential per point variation above or
 below 3.5 percent - - - - - \$0.078

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Jan.'65	\$4.66	-	-	7.4¢	\$5.06	7.7¢	\$3.12	6.7¢
Feb.	4.59	-	-	7.2	5.00	7.5	2.80	6.7
Mar.	4.54 ^{2/}	\$4.67	\$2.73	7.2	4.97	7.5	2.77	6.7
Apr.	4.41 ^{2/}	4.63	2.69	7.2	4.97	7.5	2.73	6.8
May	4.35 ^{2/}	4.57	2.64	7.4	4.98	7.7	2.68	6.8
June	4.34 ^{2/}	4.54	2.62	7.4	5.01	7.7	2.66	6.8
July	4.40 ^{2/}	4.62	2.62	7.4	4.95	7.7	2.66	6.8
Aug.	4.39	-	-	7.4	4.96	7.7	2.65	7.0
Sept.	4.58	-	-	7.8	4.82	7.9	3.30	7.2
Oct.	4.63	-	-	7.8	4.88	8.1	3.33	7.2
Nov.	4.85	-	-	8.0	5.09	8.2	3.35	7.3
Dec.	4.73	-	-	8.0	5.14	8.2	3.36	7.3
Jan.'66	4.82	-	-	7.8	5.22	8.2	3.22	6.8
Feb.	-	-	-	-	5.18	7.7	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA Minn.-Wisc. Mfg.Grade Milk \$-cwt-3.5%
	4 Tenn. Milk Mfg.	Butter Powder	4 Tenn. Milk Mfg. \$-cwt-4%	Chi.92 ^o Butter ¢ Lb.	Chi.Area Powder ¢ Lb.	
Jan.'65	2.81	3.12	3.144	58.00	14.23	3.25
Feb.	2.80	3.12	3.138	57.99	14.27	3.22
Mar.	2.77	3.12	3.106	57.99	14.25	3.22
Apr.	2.73	3.17	3.069	58.97	14.22	3.23
May	2.68	3.17	3.025	58.97	14.28	3.22
June	2.66	3.17	3.000	58.97	14.21	3.20
July	2.66	3.17	3.000	59.00	14.24	3.21
Aug.	2.65	3.25	3.000	61.03	14.31	3.25
Sept.	2.72	3.30	3.081	62.22	14.21	3.29
Oct.	2.75	3.33	3.106	62.89	14.31	3.34
Nov.	2.83	3.35	3.194	63.27	14.42	3.39
Dec.	2.90	3.36	3.269	63.45	14.31	3.47
Jan.'66	3.01	3.22	3.350	59.33	14.54	3.47

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA ^{3/}				Deliveries Per Farm----			Prod. Milk Test
	No. Hdlrs.	Total Receipt	Class I Use	Class I Use	Total Delivery	Base Delivery	No. Prod.	Prod.	Base	Exc.	
Jan.'65	12	635,165	494,256	488,626	596,761	-	679	879	-	-	4.21
Feb.	12	633,273	499,105	486,765	591,241	-	676	875	-	-	4.22
Mar.	12	626,437	494,283	483,039	590,445	552,135	673	877	820	57	4.17
Apr.	12	697,927	497,275	486,698	642,007	569,531	667	963	854	109	4.02
May	12	692,923	474,496	464,947	634,015	559,591	668	949	838	111	3.92
June	12	666,977	448,404	435,985	604,907	541,251	665	910	814	96	3.91
July	11	645,694	472,016	459,130	595,853	531,033	663	899	801	98	3.89
Aug.	11	656,906	474,674	463,031	611,907	-	661	926	-	-	3.87
Sept.	11	693,671	572,696	560,352	655,522	-	661	992	-	-	3.93
Oct.	11	673,905	561,613	553,950	646,998	-	660	980	-	-	4.14
Nov.	11	661,931	567,822	562,847	637,400	-	667	956	-	-	4.20
Dec.	11	660,110	507,814	502,279	635,256	-	666	954	-	-	4.23
Jan.'66	11	662,874	531,241	526,225	634,748	-	664	956	-	-	4.20

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I

PRODUCTION BY STATES AND COUNTIES
FOR THE CHATTANOOGA MARKETING AREA

States and Counties	December 1965				December 1964			
	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm
<u>TENNESSEE</u>								
Bledsoe	416,589	2.12	19	707	390,232	2.18	20	629
Bradley	3,027,120	15.37	120	814	2,983,538	16.67	123	782
Coffee	100,963	.51	3	1,086	86,727	.48	3	933
Cumberland	202,627	1.03	7	934	188,540	1.05	7	869
Franklin ^{1/}	1,408,983	7.15	45	967	1,302,220	7.27	47	857
Grundy ^{1/}	-	-	2	-	-	-	2	-
Hamilton	1,599,045	8.12	38	1,357	1,303,637	7.29	42	1,001
Loudon	848,544	4.31	29	944	406,178	2.27	13	1,008
Marion	442,730	2.25	18	793	436,985	2.44	24	587
McMinn	4,483,078	22.76	160	904	4,192,959	23.42	170	796
Meigs	726,019	3.69	28	836	665,777	3.72	30	716
Monroe	1,288,591	6.54	39	1,066	1,144,263	6.39	36	1,025
Polk	580,498	2.95	19	986	501,534	2.80	19	852
Rhea	434,358	2.21	21	667	415,264	2.32	21	638
Sequatchie	557,205	2.83	21	856	562,382	3.14	21	864
Total	16,116,350	81.84	569	914	14,580,236	81.44	578	814
<u>GEORGIA</u>								
Catoosa	1,031,539	5.24	29	1,147	982,691	5.48	30	1,057
Fannin	92,397	.47	5	596	115,685	.65	6	622
Gilmer	102,185	.52	4	824	115,844	.65	4	934
Murray	152,196	.77	3	1,637	131,922	.74	3	1,419
Walker	921,935	4.68	26	1,144	835,966	4.67	28	963
Whitfield	933,275	4.74	24	1,254	812,943	4.54	26	1,009
Others ^{2/}	165,927	.84	3	1,784	147,732	.82	3	1,589
Total	3,399,454	17.26	94	1,167	3,142,783	17.55	100	1,014
<u>ALABAMA</u>								
Cherokee ^{3/}	177,114	.90	2	1,904	181,368	1.01	2	1,950
DeKalb ^{3/}	-	-	1	-	-	-	1	-
Total	177,114	.90	3	1,904	181,368	1.01	3	1,950
TOTAL MARKET	19,692,918	100.00	666	954	17,904,387	100.00	681	848

^{1/} Two producers in Grundy County included with Franklin County.

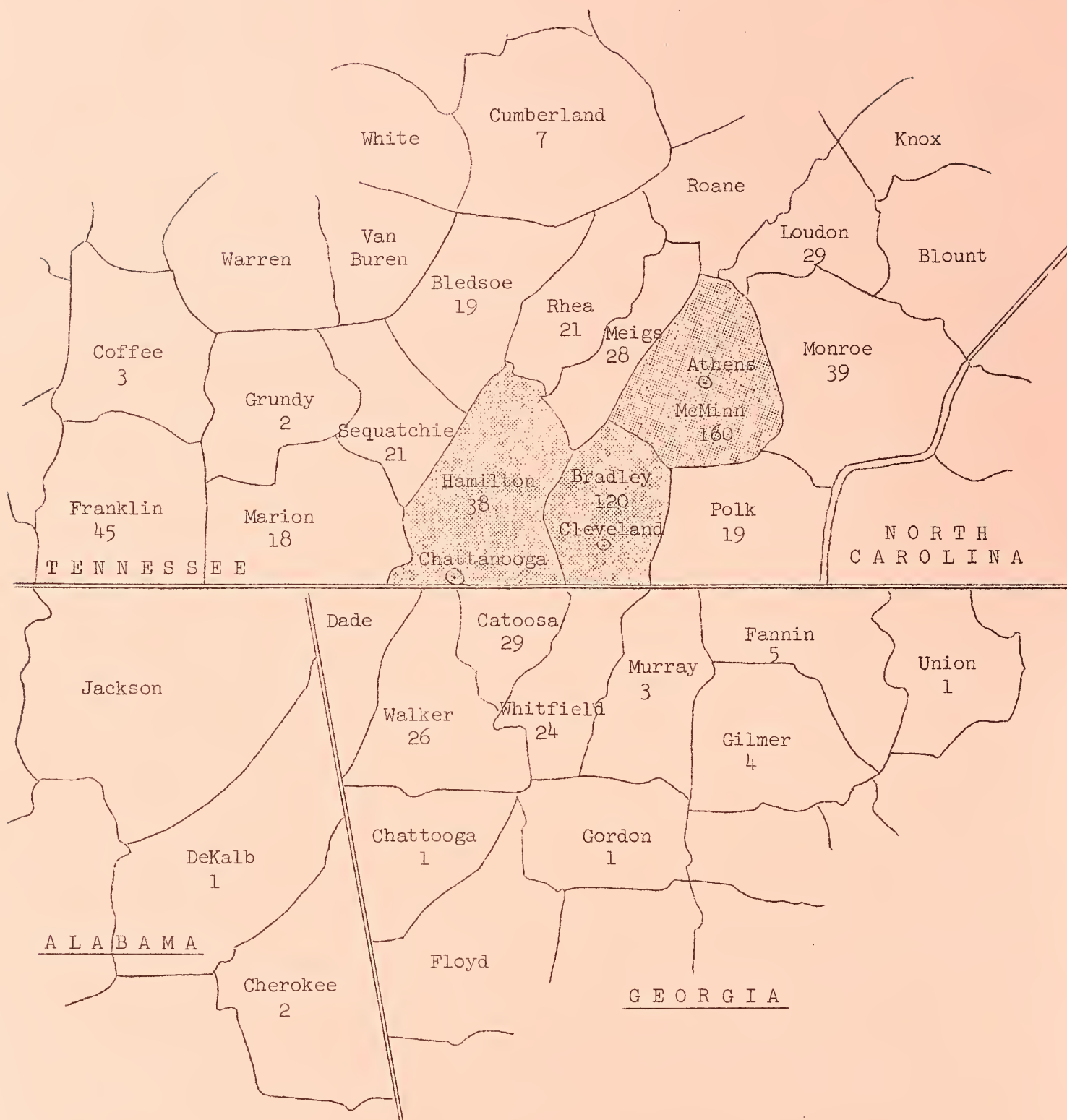
^{2/} Includes one producer in each Chattooga, Gordon, and Union Counties.

^{3/} One producer in DeKalb County included with Cherokee County.

CHATTANOOGA MARKETING AREA POOL PLANTS - DECEMBER 1965

Pool Plants	County	Address
Chattanooga Area Milk Prod. Assn.	Hamilton	Chattanooga, Tennessee
Grant-Patten Milk Co., Inc.	Hamilton	Chattanooga, Tennessee
Happy Valley Farms, Inc.	Walker	Rossville, Georgia
Home Stores, Inc.	Hamilton	Chattanooga, Tennessee
Mayfield Dairy Farms, Inc.	McMinn	Athens, Tennessee
Ray Moss Farms, Inc.	Hamilton	Chattanooga, Tennessee
Paramount Dairies, Inc.	Whitfield	Dalton, Georgia
Sealtest Foods	Hamilton	Chattanooga, Tennessee

CHATTANOOGA AREA MILKSHED - DECEMBER 1965



CHATTANOOGA MILK MARKETING AREA - As defined in Federal Order No. 90 includes all the territory within the boundaries of Bradley, Hamilton, and McMinn Counties Tennessee. The milkshed includes counties listed and number of producers per county as of December 1965. There was a total of 666 producers delivering milk to the Chattanooga market during December 1965.